

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1978 – SB 1967

March 4, 2018

SUMMARY OF ORIGINAL BILL: Defines “marketplace contractor” and “marketplace platform” for the purpose of state law regarding employers and employees codified in Title 50; and establishes that a marketplace contractor of a marketplace platform is not an employee of the marketplace for all purposes under state and local laws, rules, and ordinances, if certain specified circumstances are met.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013964): Deletes and replaces all language after the enacting clause such that the only substantive changes add language to the definition of “marketplace platform” and further adds language outlining the conditions required to be included in an agreement between the marketplace platform and contractor.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on the information provided by the Department of Labor and Workforce Development (DLWD), establishing that a marketplace contractor of a marketplace platform is not an employee of the marketplace will have no impact on DLWD and its operations. Therefore, any fiscal impact on DLWD is estimated to be not significant.
- The proposed legislation may result in workers who were classified as employees changing their status to independent contractor in order to continue to work with the marketplace. However, any fiscal impact to state or local taxes and fees is estimated to be not significant.

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IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation may result in workers who were classified as employees changing their status to independent contractor in order to continue to work with the marketplace. However, any net impact to commerce and jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp